Government of Saskatchewan

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All stated cattle prices are based on the weekly Canfax Market Outlook and Summary.
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Weekly Cattle Market Update

For the Week Ending May 26, 2017

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)								
Feeder Steers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800-900**	**900+ lb.**
May 26/2017	Average	**N/A**	**$242.33**	**$240.67**	**$228.00**	**$209.67**	**$194.33**	**N/A**
May 26/2017	Range	**N/A**	**236-260**	**226-263**	**221-254**	**199-226**	**191-200**	**N/A**
week/week	Change	**N/A**	-$9.34	**$2.84**	-$2.33	-$7.21	-$3.67	**N/A**
May 19/2017	Average	**$253.50**	**$251.67**	**$237.83**	**$230.33**	**$216.88**	**$198.00**	**N/A**
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**	
May 26/2017	Average	**N/A**	**$214.00**	**$212.17**	**$203.67**	**$188.00**	**$174.17**	
May 26/2017	Range	**N/A**	**205-233**	**202-227**	**194-220**	**181-202**	**165-187**	
week/week	Change	**N/A**	-$9.00	-$2.75	-$2.50	-$6.00	-$2.08	
May 19/2017	Average	**N/A**	**$223.00**	**$214.92**	**$206.17**	**$194.00**	**$176.25**	

Source: Canadian data is provide by CanFax and cannot be redistributed without Canfax consent (www.canfax.ca).
Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Wednesday the current week. N.A. means not available due to lack of sufficient data.

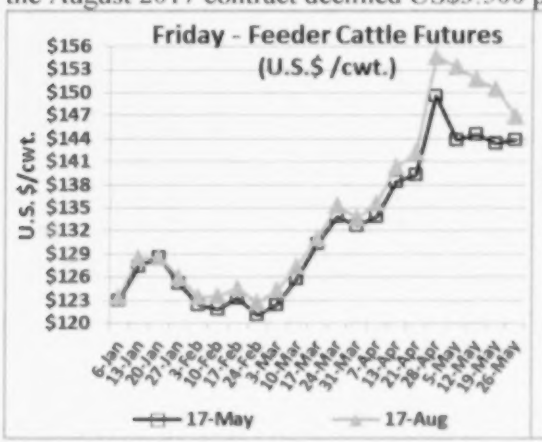
Canfax reported that a total of 3,964 head of cattle were sold in Saskatchewan this week, down from 4,633 head sold the previous week, but up from 3,130 head the same week a year ago.

Saskatchewan feeder steer prices were reported in all the weight categories over the week except the 300-400 lb. and 900+lb. weight categories. Feeder steer prices were primarily lower and ranged between $9.34 per cwt lower to $2.84 per cwt higher. The 500-600 lb. feeder steer weight category had the only price gain; while the 400-500 lb. weight category had the largest loss over the week. On average, feeder steer prices declined by almost $4 per cwt over the week.

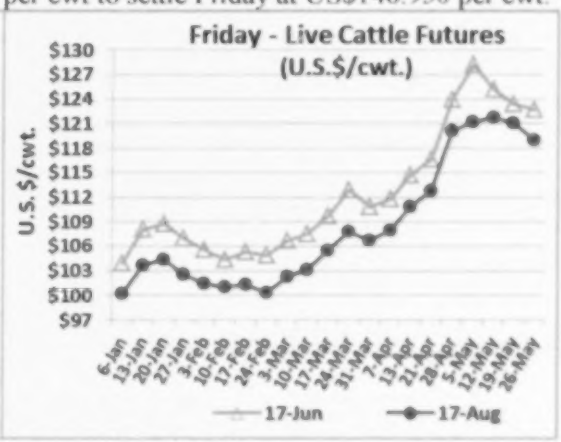
Saskatchewan feeder heifer prices were reported in all weight categories over the week except the 300-400 lb. weight category. Feeder heifer prices were lower over the week in all weight categories declining between $2.08 and $9.00 per cwt from the previous week. The largest price loss over the week was in the 400-500 lb. weight category. Saskatchewan feeder cattle prices are provided by Canfax (403-275-5110) and cannot be redistributed without permission.

The Saskatchewan 750 lb. feeder steer basis compared to the May 25, 2017, U.S. feeder cattle index at US$143.89 per cwt was calculated at (+$16.04) per cwt ($209.67 - US$143.89/0.7431, a basis widening of $5.99 per cwt from (+$22.03) per cwt compared to the previous week. Saskatchewan feeder cattle prices were over $16 per cwt higher than the U.S. index price.

Feeder cattle daily futures prices were mixed and volatile over the week higher Monday and Thursday but had near limit losses Friday to end the week mostly lower, week-over-week. The nearby May contract increased US$0.540 per cwt to expire Friday at US$143.890 per cwt; while the August 2017 contract declined US$3.500 per cwt to settle Friday at US$146.950 per cwt.



Source: CME, LMIC



Source: CME, LMIC

Live daily cattle futures prices were higher Monday and Thursday but had losses the other week days including big losses on Friday to end the week lower, week-over-week. The nearby June contract declined US$0.750 per cwt to settle Friday at US$122.700 per cwt, while the August contract declined US$2.100 per cwt to settle Friday at US$118.950 per cwt.

Iowa cash corn prices settled Friday at US$3.31 per bushel, up one cent from US$3.30 per bushel the previous Friday. Corn futures were overall steady increasing slightly, week-over-week. The July contract was up 1 ¾ cents to settle Friday at US$3.74 ¼ per bushel, while the September contract increased two cents to settle Friday at 3.81 ¾ per bushel.

Fed and Non-fed Cattle

	May 26, 2017	May 19, 2017	Week over Week
Steers (Alberta)			
Live	$170.57	$174.44	-$3.87
Rail	$282.00 to $285.50	$290.50 to $291.50	-$8.50 to -$6.00
Cows (Alberta)			
D1,2 Live	$110.60	$109.40	+$1.20
D3 Live	$99.25	$97.50	+$1.75
Rail	$205-210	$205-210	N/C

Source: Canfax. (n/a = not available, n/c = no change)

Prices for liveweight, non-fed cattle in Alberta moved higher over the week. The price of D1,2 slaughter cows increased $1.20 per cwt to average $110.60 per cwt, while the price of D3 slaughter cows increased $1.75 per cwt to average $99.25 per cwt. Fed cattle prices for Alberta fed steers averaged $170.57 per cwt over the week, down $3.87 per cwt from $174.44 per cwt the previous week. Western Canadian slaughter cattle prices are provide by Canfax and cannot be redistributed without permission from Canfax (www.canfax.ca or phone 403-275-5110).

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$131.39 per cwt, down US$2.67 per cwt or 2.0 per cent from US$134.26 per cwt the previous week; but up 5.3 per cent from US$124.99 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$208.60 per cwt, down US$4.02 per cwt or 1.9 per cent from US$212.62 per cwt the previous week, but up 5.2 per cent from US$198.28 per cwt the same week a year ago.

Beef production for the week was estimated at 483.9 million lb., up 1.3 per cent from 477.5 million lb. the previous week, and up 2.6 per cent from 471.5 million lb. the same week a year ago. Cattle slaughtered over the week were estimated at 613,000 head, up 1.8 per cent from 602,000 head the previous week, and up 4.4 per cent from 587,000 head a year ago.

U.S. choice beef cutout prices (600-900 lb.) averaged US$246.28 per cwt over the week, down US$2.08 per cwt or 0.8 per cent from US$248.36 per cwt the previous week, but up 10.3 per cent from US$223.19 per cwt the same week a year ago.

On Friday May 26, the United States Department of Agriculture (USDA) released the monthly *Cattle on Feed Report* for May 1, 2017.

May 1, 2016 and 2017, Cattle on Feed (in U.S. feedlots with 1,000+ capacity)

	2016	2017	Per cent of previous year
On feed April 1	10,853,000	10,919,000	100.6
Placed during April	1,664,000	1,848,000	111.1
Marketed during April	1,658,000	1,703,000	102.7
Other disappearance during April	76,000	66,000	86.8
On feed May 1	10,783,000	10,998,000	102.0

Source: USDA

The USDA Cattle on Feed (COF) report indicated that the number of cattle placed on feed in April 2017 was 1.848 million head, up over eleven per cent from 1.664 million head in April 2016, but down 12.7 per cent from 2.117 million head placed in March 2017. The number of fed cattle marketed in April 2017 was 1.703 million head, up 2.7 per cent from 1.658 million head in April 2016, but down 11.0 per cent from 1.914 million head marketed in March 2017.

The April cattle placements were 3.6 per cent above the average trade estimates (107.2 per cent), while the cattle marketed in April were almost one per cent higher than the average trade estimates (101.7 per cent). The cattle on feed for May 1, 2017 were estimated at 10.998 million head, two per cent above the May 2016 inventory numbers of 10.783 million head, and close to one per cent above the April 2017 numbers. The average trade estimates were estimating almost a one per cent increase (100.9) from May 2016 to May 2017, while a two per cent increase was shown with USDA's numbers. Typically with the variation between the pre-report average trade estimates and the USDA's numbers for higher April placement and higher cattle on feed for May, the market will likely view as bearish; and could see some downward pressure on cattle prices.

USDA released the latest U.S. cold storage numbers on May 22, 2017. The U.S. beef stocks in cold storage totaled 458.5 million lb. on April 30, 2017, down 2.0 per cent from 467.8 million lb. on April 30, 2016, and down 1.2 per cent from 464.0 million lb. on March 31, 2017. Beef stocks in cold storage for April 30, 2017 were above the monthly 12-year average, but below the highs.

The Western Cattle Price Insurance Program to buy insurance on fall calves ends Wednesday May 31, 2017. Producers are encouraged to review their risk management strategies and what pricing options they may want to consider before the summer months.
https://www.wlpip.ca/cattle

Friday Price Information

Product		This Week (May 26, 2017)	Week of: (May 19, 2017)	Week of: (May 27, 2016)
Canadian Dollar (closing rate US$)		.7431	.7383	.7670
U.S. Cash Cattle				
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		143.89	143.86	146.09
Seven-day Weighted Average FC Index Wt. (lb.)		814	806	756
Live Fed 5-area Steer Price (US$ per cwt)		131.59	134.26	124.81
Feed Grains				
Barley	Lethbridge ($/tonne)	185.00	180.00	205.00
	($ per bu.)	4.03	3.92	4.46
Corn	Iowa State Average (CDN$/tonne)*	175.36	175.96	190.94
	(US$ per bu.)	3.31	3.30	3.72
	Omaha, NE (CDN$/tonne)*	181.71	181.30	197.61
	(US$ per bu.)	3.43	3.40	3.85
Futures				
	July Corn (US$ per bu.)	3.74 ¼	3.72 ½	4.12 ¾
	September Corn (US$ per bu.)	3.81 ¾	3.79 ¾	4.14 ¼
	June Live Cattle (US$ per cwt)	122.700	123.450	119.700
	August Live Cattle (US$ per cwt)	118.950	121.050	116.425
	May Feeder Cattle (US$ per cwt)*expiry	143.890	143.350	N/A
	August Feeder Cattle (US$ per cwt)	146.950	150.450	146.700

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship,
Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate.

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